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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/758,624	01/11/2001	Douglas R. Elliott	TEQ 1117005	8961
32233	7590	01/27/2005	EXAMINER	
STORM L.L.P. BANK OF AMERICA PLAZA 901 MAIN STREET, SUITE 7100 DALLAS, TX 75202			DASS, HARISH T	
			ART UNIT	PAPER NUMBER
			3628	

DATE MAILED: 01/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/758,624

Applicant(s)

ELLIOTT, DOUGLAS R.

Examiner

Harish T Dass

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 27 August 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 12-17 is/are pending in the application.
- 4a) Of the above claim(s) 1-11 and 18-43 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 12-17 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. _____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>12/4/04</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claims 1-11, and 18-43 are withdrawn.

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 12-17 are rejected under 35 U.S.C. 103(a) as being unpatentable over Risen, Jr. et al (hereinafter Risen - US 6,018,714) in view of Champion et al (hereinafter Champion – US 5,126,936) and Kieso et al “Intermediate Accounting”, John Wiley & Sons, Inc., eighth edition 1995, pages 571-619; ISBN 0-471-59759-7 (hereinafter Kieso).

Re. Claim 12, Risen discloses intellectual property, and more particularly relates to protection against changes in value of intellectual property [see entire document particularly, Abstract; Fig. 1; C1 L1 to C4 L63], a) identifying an intellectual property [C27 L25-L30],

b) identifying initial ownership of said intellectual property [C27 L25-L30],

f) granting a license to said initial ownership to use said intellectual property in exchange for at least one payment from said initial ownership [C8 L64],

i) identifying at least one other intellectual property [C9 L30-35; C27 L25-L30],

j) identifying initial ownership of said at least one other intellectual property [C27 L25-L30] and,

k). assessing (determining) a value for said at least one intellectual property [Abstract; C9 L32-L33].

Risen does not explicitly disclose c) assessing a value for said intellectual property (precipitator) using at least one algorithm (Amortization),

d) obtaining title to said intellectual property <d1> in exchange, paying the initial ownership, from a general trust account, an amount not more than the accessed value of said intellectual property, <d2> obtaining funding for said general trust account from a plurality of initial investor accounts,

e) creating said investor accounts by identifying a plurality of investors, obtaining an initial amount from each of said investors and associating in at least one electronic database at least a portion of said initial amount with at least one investor account for each said investor,

g) allocating said at least one payment from said initial ownership to said general trust account in at least one electronic database,

h) allocating payments from said general trust account to at least one of said investor accounts in at least one electronic database,

k) assessing a value for said at least one other intellectual property using at least one algorithm.

l) obtaining title to said at least one other intellectual property in exchange for paying not more than the assessed value of said at least one other intellectual property

to said initial ownership, <I1> obtaining said payment to the initial ownership from a general trust account, <I2> obtaining funding for said general trust account from at least one subsequent investor account,

m) creating said subsequent investor accounts in at least one electronic database by identifying a plurality of investors, obtaining an initial amount from each of said subsequent investors and associating at least a portion of said initial amount with said investor account in at least one electronic database for each said subsequent investor,

n) granting a license to said initial ownership to use said in at least one other intellectual property in exchange for at least one payment from said initial ownership,

o) allocating said at least one payment for said license for said at least one other intellectual property from said initial ownership to said general trust account in at least one electronic database, and

p) allocating payments from said general trust account to at least one of said subsequent investor accounts in at least one electronic database.

However, Kieso discloses c) assessing a value for said intellectual property (precipitator patent, p 599-602, 610-611) using at least one algorithm (Amortization) and k) assessing a value for said at least one other intellectual property using at least one algorithm [pages 571-619] to allocate fair market value for intangible assets.

Champion, discloses data processing system to control account management and investment tracking for participating investors, and database [see entire document particularly – Abstract; Figures 2-3; C1 L1 to C3 L55; C6 L6-L12]. g) allocating said at

Art Unit: 3628

least one payment from said initial ownership to said general trust account [Champion – C4 L1-L28], and h) allocating payments from said general trust account to at least one of said investor accounts [Champion – C4 L1-L28] to adjust the customer account for customer request of asset allocation, withdrawal or deposit.

Further, d) obtaining title to said intellectual property, <dl> in exchange, paying the initial ownership, from a general trust account, an amount not more than the accessed value of said intellectual property, <d2> obtaining funding for said general trust account from a plurality of initial investor accounts is a business choice how to fund the purchase (for example, how to fund war in Iraq, form general defense fund of separate appropriation, etc.), l) obtaining title to the patent in exchange for paying not more than the assessed value of the patent to the original ownership are business choice by the individual how much he/she wants to pay, for example, A company BRISK wants to purchase patent for precipitator with fair value of \$x from Eric (the original owner) and does not want to pay extra, if the dealing party agree this is a fair value to sell/buy and deal is sealed, BRISK (new owner) can obtain the title. It obvious the patents are sold and licensed by the companies when it makes business sense to trade them.

e) creating said investor accounts by identifying a plurality of investors, obtaining an initial amount from each of said investors and associating in at least one electronic database at least a portion of said initial amount with at least one investor account for each said investor, however, this step is well known in banking, brokerage and mutual fund institutions (i.e. banks, brokerage firms, mutual funds and corporation which are

Art Unit: 3628

selling their stocks directly regularly open investor accounts where banks/other institution are/is a trustee, for example Bank of New York is trustee for GE's investors.) to prevent fraud and illegal transactions;

l) obtaining title to said at least one other intellectual property in exchange for paying not more than the assessed value of said at least one other intellectual property to said initial ownership; <l1> obtaining said payment to the initial ownership from a general trust account; <l2> obtaining funding for said general trust account from at least one subsequent investor account [these limitations (l, l1 & l2) are rejected with same rational as d above, the buyer can trade at least one another item form Eric or another company (for example Choctaw Co.) who wants to sell its intellectual property [BUSINESS CHOICE and practice what ever is good for the owner],

m) creating said subsequent investor accounts in at least one electronic database by identifying a plurality of investors, obtaining an initial amount from each of said subsequent investors and associating at least a portion of said initial amount with said investor account in at least one electronic database for each said subsequent investor [this step is rejected with the same rational as step e, above],

n) granting a license to said initial ownership to use said in at least one other intellectual property in exchange for at least one payment from said initial ownership [this step is rejected with the same rational as step f, above],

o) allocating said at least one payment for said license for said at least one other intellectual property from said initial ownership to said general trust account in at least

Art Unit: 3628

one electronic database [this step is rejected with the same rationale as steps d, h and n, above], and

p) allocating payments from said general trust account to at least one of said subsequent investor accounts in at least one electronic database [this step is rejected with the same rationale as step d, above], to purchase patents, trade marks and licenses intellectual properties (IP), evaluate the IP portfolio and find investors who are interested in investing in such a property and willing to open a trust account for such investment.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Risen and include investor accounts and intellectual property evaluation, as taught by Champion and Kieso, for evaluating and pooling intellectual properties in a portfolio of investment (similar to mutual funds, portfolio of investment accounts) to manage goal directed investor account for trading of intellectual properties in compliance with sound business practice and regulations.

Re. Claim 13, Risen further discloses granting a limited license to a party other than the original user of said intellectual property and obtaining at least one payment from said licensee of said intellectual property for a license to use said intellectual property [C8 L64].

Art Unit: 3628

Re. Claim 14, Risen further discloses allocating payments from said general trust account to at least one account other than an investor account and data processing [C2 L48 to C3 L16; C8 L44 to C9 L43; C26 L12-L33]. Risen does not explicitly disclose in at least one electronic database. However, Champion discloses database to store to handle investor accounts [Abstract; C1 L15-L49; C6 L9-L13]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Risen and include database to handle large amount of accounting information.

Re. Claim 15, Neither Risen nor Kieso explicitly discloses allocating payments to said investor accounts in the at least one electronic database using at least one algorithm that considers factors in addition to the initial amount obtained from said investor. However, Champion discloses allocating payments and fees [C1 L35-L67; C14 L1-L28] to adjust the customer account for deposit and asset allocations. Further, allocating payments to said investor accounts in the at least one electronic database using at least one algorithm that considers factors in addition to the initial amount obtained from said investor is obvious with is similar to an investor account, to one skill in the art, in a mutual fund will have a value proportional to the number of shares (units) it has, similarly the dividend, fees, gain or interest it gets will be proportional to it share based on what he/she has in investment. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Risen, Champion and Kieso and include a formula with certain criteria to allocate payments

Art Unit: 3628

based on the share of the account to satisfy the investors they get their part of business fairly.

Re. Claim 16, Neither Risen Nor Champion or Kieso explicitly discloses where at least one subsequent investor account and at least one initial investor account are the same. However, it is obvious the account can be same if they have the same ownership, same amount of deposit and at the same financial institution otherwise they are not.

Re. Claim 17, claim 17 is rejected with same rational as claim 12 step d. (It is obvious that different investors have different accounts and even an investor can have different accounts in the same financial institution (i.e. checking/saving accounts, etc.)).

Response to Arguments

2. Applicant's arguments with respect to pending claims, filed 8/27/2004, have been fully considered but are moot in view of the new ground(s) of rejection.

In response to Applicant argument (page 15 line 1-3), Risen determines a value of the at least one intellectual property [Abstract, C6 L7, C37-64] and purchase, sale and ownership [C5 L5-10]. It is true that Risen provides insurance against a change in *predicted value* of intellectual property, but the question is evaluation (determination) of the intellectual property value even by third party (VALMATRIX), which insurance uses

Art Unit: 3628

[C11 9-27]. It may be difficult of insurance company but not to one skill in the art of intellectual property evaluation such as Trademark and Licensing Associates, Inc.

Regarding granting license (page 15 line 20) see Risen [C7 L20-L30; C8 L52-L64, specially "intend to purchase or license"].

Regarding Champion (page 16 line 6), Primary reference determines the value of intellectual property and the deficiency is discloses by Champion.

Conclusion

3. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.


Any inquiry concerning this communication or earlier communications from the examiner should be directed to Harish T Dass whose telephone number is 703-305-4694. The examiner can normally be reached on 8:00 AM to 4:50 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S Sough can be reached on 703-308-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

Harish T Dass
Examiner
Art Unit 3628

1/21/05


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